



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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July 19, 2002

CERTIFIED RETURN RECEIPT

7099 3400 0016 8895 5149

Keith W. Moeller
Clifton Mining Company
70 West Canyon Crest Road, #D
Alpine, Utah 84004

CERTIFIED RETURN RECEIPT

7099 3400 0016 8895 5156

Phillip M. Lynch
International Minerals & Metals, Inc.
23205 Mercantile Road
Beachwood, Ohio 44122

Re: Surety Bond Release Request, American Consolidated Mining Company/Clifton Mining Company & IMM-Dworkin Holdings, Ltd., Yellow Hammer Mine & Kiewit Exploration Project, M/045/019 and E/045/052, Tooele County, Utah

Dear Mr. Moeller and Mr. Lynch:

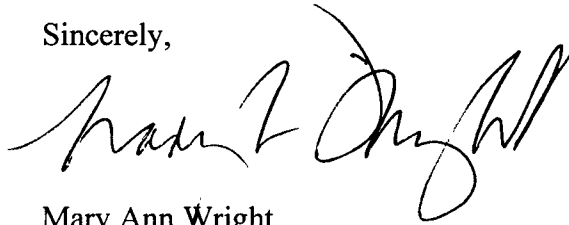
On April 1, 2002, the Division of Oil, Gas and Mining (DOGM) sent a letter to each of you describing our intention to file an interpleader suit with the Utah District Court to turn over the disputed reclamation surety funds for the above mentioned projects. The Division acknowledged your respective positions regarding these funds and offered to help facilitate the disposition of same between yourselves in order to avoid protracted litigation and expense to both parties.

We asked each party to respond within two weeks if you wished to pursue a voluntary apportioning of the funds between yourselves to cover your respective reclamation surety obligations. Neither party has expressed an interest in doing so and stands by their respective positions of joint entitlement to the reclamation funds. Therefore, we are hereby notifying you that we have turned this matter over to our legal counsel who has prepared and will file the pertinent interpleader documents with the Utah District Court of the Third Judicial District in Tooele, Utah.

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Keith Moeller/Jennie Weible
M/045/019
July 19, 2002

You should be receiving notice of this formal action very soon. If you have questions regarding this letter, please contact me at (801) 538-5306.

Sincerely,

A handwritten signature in black ink, appearing to read "Mary Ann Wright", written in a cursive style.

Mary Ann Wright
Associate Director of Mining

jb
cc: Steve Alder, Assistant Attorney General
Jennie C. Weible, Weible & Associates, Co.
Wayne Hedberg, DOGM
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